

Anarchism- 6653

Price 5 Cents.

AFTER CAPITALISM WHAT?

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POCKET LIBRARY OF SOCIALISM
Monthly, 50c a Year. No. 12, February 15, 1900



Published by
CHARLES H. KERR & COMPANY
(CO-OPERATIVE)

56 Fifth Avenue,

Chicago, Ill.

AFTER CAPITALISM, WHAT?

I can best put you in possession of the facts of industrial evolution as they appear to my mind by first of all stating what seems to me to be the two essentials to the equipment of the successful student of industrial history. I hold that two prerequisites to such study are the possession of the modern scientific spirit and of the point of view of that industrial class whose interests are most immediately concerned.

In the first place, when we are dealing with industrial evolution, we are dealing with facts which are within the reach of all. The records of history are open to all seekers for the truth. Moreover, the present century has put into our hands the greatest aid to the intelligent interpretation of history that the human mind has thus far discovered—the doctrine of evolution. We now know that all things have a history and that it is possible to find the record of that history somewhere. That is a tremendous gain, and the man who has become conscious of that fact is in possession of a priceless boon. He is prepared to learn something about the world he lives in.

In harmony with this scientific spirit it is the business of the student to recognize the fact that history cannot be bribed to tell such a story as one would wish to have it tell. It can tell but one true story. Whether its verdict be agreeable or otherwise, it must be accepted. No amount of lamentation will change the facts. It is not the mission of the student of economics to learn

how he may avoid the facts or fit them into his theory. His purpose is to find what story they have to tell as to the direction of economic progress.

To the evolutionist, the universe is not a worn-out machine which it is his duty to tinker up, just long enough for his own generation to get off the stage. It is not an experiment of deity which has been tried for six thousand years and found a failure. He finds no fault with the universe. His absorbing purpose is to understand it and make the necessary adjustment to its laws, as those laws become progressively visible. Whatever deity exists for him is not above the universe, ready to interfere in response to his prayers or tears, but within the universe and most of all within himself and within the social and collective life. He is slowly finding out that all life is an unfolding, an "exfoliation" as Edward Carpenter calls it, and therefore the origin and essence of all things is within. Moreover, when we have made the discovery that life is an evolution, we have discovered that it is not stationary. It is in process of change. It has direction. The world of to-day is not that of yesterday nor that of to-morrow.

To my mind, there is also a second requisite in the equipment of the successful student of industrial questions. And that is an adequate motive. History does not yield her secrets to the bidding of every seeker. Thousands of people READ history. Hardly TENS can be said to come away from that reading much the wiser. It is because there is not in the student a motive sufficient to stimulate him to that degree of earnestness which is necessary to his task. How many of the thousands of men in our colleges get anything substantial from their alleged study of history? How many of them learn anything

about the world, about society, about the problems of their own age from the study? Surely an insignificant proportion. It is not to be wondered at, since the men who have attempted to translate into human language the record of history have themselves, for the most part, lacked the motive which would lead them to discover the real message which history bears. The true historian is himself a product of evolutionary forces.

There will always be men and women who will take up such questions as a sort of fad, as a side issue, or as an occupation for leisure hours. Such attempts amount to nothing. They are barren of result. The longer I live and the more I see of men, the more I am convinced that the man is rare who in his thinking escapes from the trammels of his own class interests. If it be said that the point of view of the working class is also a partial and class attitude, I answer that it has this in its favor: that this class stands at the base of the social and industrial pyramid, that in the evolution of industry its interests are supreme, and that this, of all classes in society, has a vital interest in finding out the facts in the case. As a matter of record, the only attempt to apply the principle of evolution to the growth of industry that has been made is the work either of members of that class or those in immediate sympathy with it.

I must live, as every other man must, in the world in which I was born. I did not ask to come into the world, and I brought no preconceived notions about it with me. But I find myself here, and, looking around, I discover that the vast majority of my fellows are wage laborers. That is their material condition. It has also been my own. I find not only that the wage laborers are the vast majority of the peo-

ple, but also that they constitute to-day a distinct industrial class, and that the lines of that class distinction are growing all the while more marked. I find that their lot, as a class, is not growing rapidly better. On the contrary, I find reasons for believing that it is growing worse. I find among the members of that class a desire to better their condition. There are manifold expressions of that desire. I am aware that this phenomenon is not limited to any one class. It is as wide as humanity. I find that large numbers of my class are not in the best possible circumstances. Some of us find it necessary to work hard from year's end to year's end, with no opportunity for rest, in order to gain a living. And that living consists for some of us at least in nothing but the prospect of keeping up that dreary round to the end.

There are those who would have us believe that "drudgery is blessed." We are satisfied that such a view is possible only to those who have never been hopelessly chained to drudgery. I have discovered also that there are members of the more powerful industrial class who are subjected by their position to a more exhausting mental strain than any of us, a strain under which they not infrequently succumb almost in the prime of life. And yet statistics tell me that the average length of life of the working class is much shorter than that of the capitalist class. Alfred Russell Wallace has made some computations concerning this subject with reference to Great Britain, and he declares that the average difference in certain industries is twenty-five years or more. I find that in the ranks of the wage workers will be found somewhat larger families than in the ranks of the wealthy. Whatever be the explanation of that fact, it is something to be reckoned among the forces of social

and political and industrial evolution. It may be assumed that the members of this class have the usual human affections, that they love their wives and children, and would be glad to do for them far more than they find it possible to do.

It is worthy of note, also, that our common school system and all the agencies of education to-day tend to foster in the minds of these children ideals and desires and aspirations which their economic conditions under the capitalistic system cannot possibly fulfill. That, too, is a part of the social evolution. It is fair to say that the fathers and mothers of these families desire to see their daughters grow to be beautiful and attractive and cultured women. If they are sometime to be wives and mothers, not only their parents, but society itself has an immediate interest that they should be worthy of that estate. We desire also that they shall have some choice in the disposal of themselves. We cannot feel that this is an unreasonable desire.

We want our sons to have a chance to be men. We want their physical development to be normal and right. We want them to have a chance to cultivate the best that is in them. We believe they ought to have some leisure. Perhaps some of us hold the faith of William Morris, who believed that "it is right and necessary that all men should have work to do which shall be worth doing, and be of itself pleasant to do; and which should be done under such conditions as would make it neither over-wearisome nor over-anxious." Said William Morris of this claim: "I have looked at this claim by the light of history and my own conscience, and it seems to me so looked at to be a most just claim, and that resistance to it means nothing short of a denial of the hope of civilization."

I suppose some of the members of the working

class would put it somewhat differently. They would say: "What we want is what of right belongs to us; no more, no less. We want to be guaranteed in the possession and enjoyment of that value which our labor produces." However it may be expressed and whatever be the rightful basis of it, here is this growing desire, which lies at the very spring of civilization. And here, too, is another fact staring us in the face. For millions of us, under the existing economic system, there is no prospect of gaining the fulfillment of our desire. There is no hope for us. The mill must go on grinding. If life seems a ghastly thing to thousands of men and women, we must nevertheless accept it. There is no escape.

Now, all that may be true. And it may NOT be true. We are naturally not inclined to accept that view of the case until after the most searching investigation. We propose to find out for ourselves whether that philosophy is supported by the testimony of history. If it is, we will accept it. But we must know the facts for ourselves. That which concerns our own fate we will not take upon the testimony of any man or class of men. We certainly know that slowly but surely the doors of opportunity for promotion have been closed to us. Competition has been abolished in a large number of industries for a man with small capital. In a few lines it has been abolished for a man with any amount of capital.

The man does not live who can successfully compete with the Standard Oil Company, the Sugar Trust, the Iron combine, or any of the large trusts which have recently been formed. It is a fact which no one will think of disputing, that what was perfectly feasible a hundred years or fifty or twenty-five or even ten years

ago in the realm of business is not possible to-day. The amount of capital which would permit a man to go into business a few years ago is utterly inadequate to-day. "In 1887 there were 1,168,343 firms doing business in the United States and Canada, of which 223,332 either failed or wound up their affairs after reaching a condition of practical bankruptcy. Out of 15,008 firms driven into legal bankruptcy, 88.9 per cent were firms having a capital of \$5,000 or less each, and 7.67 per cent were firms having a capital of more than \$5,000 but less than \$20,000 each." In other words, there is almost no chance for a firm with a small capital to remain in business. Where is the small dry goods store? It has ceased to be. It could not hold the field against the department store. Now, all this in itself is of no special consequence. It does not at all follow that we are worse off than our fathers, simply because what was open to them is not open to us. The fact of real importance to be noted is that by the abolition of competition, the possibility of rising from the ranks of the wage class to that of the capitalist is rapidly vanishing.

Statistics compiled by men in the employ of the government for that purpose show a steady decline during the past fifty years in the proportionate amount of wealth in the possession of the wage class, and at the same time as steady an increase in the ratio of that class to the whole population. The supply of labor is all the while growing larger. But the demand cannot grow proportionately larger. With the introduction of labor-saving machinery, the ranks of the unemployed will be augmented. Skilled labor commands a higher wage than unskilled. But with the improvement of machinery, skilled labor is being dispensed with. The skill is transferred

to the machine. And now a machine attended by a child does the work which formerly required a number of skilled workmen. Of course, the cost of child labor is much less than that of adult labor.

Now, it must be evident to any one who will give the matter a moment's consideration that it is the most natural thing in the world for thinking members of the working class to investigate the state of affairs in which they find themselves. While other social classes are directing their attention to the task of caring for the army of tramps and paupers and criminals which the capitalistic mill is grinding out, it has occurred to the intelligent members of the working class that it would be a good plan to find out the cause of this condition of things, to examine the records of history, and see whether this is the goal of civilization, and, if it is not, whether that evolution which has produced the system in which we live has anything better in store for us, and whether it has also put into our hands any instrument by which we might co-operate in accelerating its processes. Some of us have gone to the records with this quest, and have come back from our studies with a new conception of the problem, a new thought of the world, a new faith, a new hope, a new light upon our duty as men.

Confining ourselves to the one field of industry as far as possible, what is it that we find? We find that the earliest form of social and industrial life after the emergence of the human race from its primitive barbarism was communism—the communism of the tribe. The first unit of society after the family was the tribe, and in the tribe property was common. Wealth did not belong to individuals as private property, but to the tribe as common property. It is also

true that the civilization represented by that tribal communism was rude and primitive, and the world not only would not desire, but it could not, if it did, return to that early form of industrial and social life. When the race left the primitive communism, it left it for good and all. Communism in one form or another has existed since that day and exists even now, but it is not general and never will be. The race cannot return upon its path. It must go upward and forward. It cannot go backward. And yet, I have no doubt that we lost things which were of highest worth, things which we shall sometime regain, though it be in a higher form. That was a time when life was lived close to Nature's heart, when man was almost consciously a very part of Nature, when everything he saw and heard seemed but a projection of himself, and when such a thing as disease was practically unknown.

I think that it is true that with every stage of progress in civilization, while much has been gained, somewhat has been lost. And though we may not return upon our path, perhaps if we could see in broad relief the track which our race has followed and which it is destined still to follow through the ages, we should find that it is a spiral in which with every circling curve the best in the past will be taken up again and realized in a higher form. I do not believe it is unscientific to expect that sometime in the future we are to find again that nearness to the heart of Nature and that communion with her myriad forms of beauty and sublimity, that sense of oneness with her as our Mother, that freedom from disease, that grace of form and rhythm of movement, and that sympathy with the world around us which was the religion of those primitive ancestors and which surely may

find a fitting place in the higher unfolding of the race.

But we should prove ourselves poor students of history if we did not cheerfully recognize that every step that the race has taken has been a step upward, a necessity to the working out of something higher of which the race was capable. Just what were all the agencies which led to the next phase of civilization, I do not know. But one of them is very clear. In some way or other the institution of private property came into existence. I am satisfied that this institution was one of the most potent and useful factors in the progress of the race. But the form of industrial life to which it gave birth was slavery. There was a long period, as you know, when throughout the civilized world the manual laborer was a slave. That was the case in Egypt in the time of Moses, and no doubt long before. It was true in all the so-called universal empires down to and including the Roman. The term used to designate a laborer was the same that was used to designate a slave. The usage has not been altogether lost in our day. The Latin word "servus," meaning "slave," survives in the English word "servant," meaning a domestic laborer.

With the breakup of the empire there gradually took place a change. The race seemed then to take another step forward on its journey. Chattel slavery as a general form of industrial life was left, never to be returned to. To be sure, it has since existed and exists to-day, even under the protection of the United States government. But it is not general, and it is inconceivable that it will ever be again. Evolution has made it impossible for the laborer ever again to be a chattel slave.

The next form which the industrial life of the

world took was that of feudalism. The land was possessed by a class, and the multitude, denied the ability or privilege of owning the land, became the dependents and vassals of those who did. I shall not stop to point out the gain to the laborer which feudalism brought. It was real and substantial. It is rather with the next stage of industrial evolution that we are mainly concerned. For the successor to feudalism was capitalism. Indeed, it is really at the downfall of feudalism that the most important part of the evolution of industry begins. It is at this point that the evolution of industry becomes a vital part in the evolution of society.

The industry of the Middle Ages was practically limited to handicraft. Every peasant farmer combined in himself whatever trades were necessary to supply his needs, which were few. He raised his own sheep, spun his own wool, wove his own cloth, made his own clothes. He manufactured whatever rude tools were necessary for his work, which was almost wholly agriculture. The wage system did not exist. Neither did the system of profits, as we know it to-day. A combination of causes beginning in the fourteenth century brought about a change. The epidemic of the "Black Death" swept over England, wiping out a third of its peasant population. The feudal barons had exhausted their resources in the French wars and the wars of the Roses, and began to discharge their retainers. The feudal bands were broken up. The suppression of the monasteries and the eviction of the monks by Henry VIII. further increased the landless class. The impoverished nobility evicted the peasants from the land, expropriated the small proprietors, and turned it into sheep pasture. The discovery of America and of a sea route to India and the later movement to-

ward colonization opened a new era in commerce and created a demand for manufactured goods.

The next industrial stage after handicraft is that of manufactures. In other words, it is the beginning of associated labor for the production of commodities. It was the response of industry to the first demands for a larger product. In this stage we have the embryo of capitalism. In it is to be seen the rise of the profit system. The discovery was made that production can be accelerated by division of labor. A number of artisans of the same or kindred trades worked together under one employer. Here also is seen the rise of the wage system. In the handicraft stage of industry, each man was his own employer. He produced not for sale, but for his own needs and those whom he served. With the association of artisans together under one employer came the wage system. It was the beginning of production of commodities for commercial purposes. From the employer's point of view, it was also the production of commodities for profit.

Capitalistic production requires two things: the perfect freedom of the laborer and the separation of the laborer from the means whereby he realizes the results of his labor. That is to say, capitalistic production cannot go on unless there is an unlimited supply of laborers. So long as the industrial population of Europe was tied to the soil as serfs to their feudal masters, capitalism could not enter upon its career. And so long as the laborers owned the instruments with which they did their work, capital was impotent to realize those profits by which it lives and thrives. I am not discussing the ethics of the matter. It has none. Material evolution knows no ethics. Gravitation has nothing to do with ethics. Neither has the rise of capitalism. It

came into existence naturally and inevitably. Given the increasing demand for commodities, the freedom of the laborer, and his separation from the tools with which he worked, and you have the essential prerequisites of capitalism.

The events of the fifteenth and sixteenth and seventeenth centuries created a growing demand for commodities. The fourteenth and fifteenth centuries had set free a great multitude of laborers by the fall of feudalism and the dissolution of the guilds. It remained for the last third of the eighteenth century to furnish the third requisite. Think for a moment of the inventions that belong to the latter half of the eighteenth century. "In 1750 the fly-shuttle was invented by Kaye of Burry. In 1760 improvements were made in the carding process. In 1769 the spinning frame was introduced by Arkwright, and Watt took out his patent for the first steam engine. In 1770 the spinning-jenny was patented by Hargraves. In 1779 the mule jenny was invented by Crompton. In 1785 the power-loom was invented by Cartwright. In 1792 the cotton-gin was invented by Whitney." It is easy to see what the result of these inventions was to industry. They marked the real beginning of that revolution in the method of production which has given us the modern system of capitalism.

Let us stop to think for a moment of the extent of this revolution. Before the invention of machinery, industry is practically in the hands of artisans. The workman possesses all that is necessary for production. He owns his tools and he has his trade. He possesses the skill to use those tools for the production of commodities. No one has any advantage over him. He is master of the situation. He has no rival in the field except his fellow laborer. He is him-

self, to all intents and purposes, a "captain of industry." Serfdom practically vanished by the end of the fourteenth century, leaving the great mass of the population free peasant proprietors. The wage laborers of that period were few in number and each possessed a cottage and at least four acres of land, besides having access to the common lands for pasturage and fuel. This was the condition of labor in the fifteenth century, which has been called "the Golden Age" of English labor. Says Thorold Rogers, member of parliament and late professor in Oxford University: "I have stated more than once that the fifteenth century and the first quarter of the sixteenth were the golden age of the English laborer, if we are to interpret the wages which he earned by the cost of the necessities of life. At no time were wages, relatively speaking, so high, and at no time was food so cheap."

Under pressure of necessity for a larger product, workmen combined together for increased production. Then began the era of social production. The commodity which comes out of such a shop is a social commodity. It is the joint product of many laborers. Each man does only a part. No single laborer can say of the given commodity that it is his own. It is not the product of individuals, but of society, or of several individuals co-operating. With the introduction of the principle of co-operation industry reaches its social stage. But it is to be noted that in this manufactural era the laborers are still comparatively free. Although working under an employer, they are masters of the situation. Their combinations are voluntary. They are protected by their guilds, of which both employer and employe are members.

But now a change takes place in the status of the laborer. Machinery is invented and steam

as a motor force is applied to industry. What has happened? Let us see. What is a machine? It is a substitute for a man. It is an embodiment of the skill which the workman has given years to acquire, and it is itself a giant tool of production. Given the steam-engine, and you have the motor power by which the machine is to run. The introduction of machinery is the dispossession of the laborer. His skill is no longer needed. His tools are worthless. He cannot own the machine. That requires capital. And as the machine grows larger, the amount of capital necessary to its ownership greatly increases. A substitute has been found for the skill and muscle of the worker. From that moment forward in the economic realm the laborer is not master of the situation, and he has grown less so with every year. The history of improved machinery is the history of the embodiment in iron levers and arms and wheels of what previously existed only in the brain and hand of the worker. The laborer no longer owns the tools of production; the tools of production own the laborer.

Think for a moment of the evolution of capitalism through the same period. The beginning of capitalism is the beginning of the profit system. The motive power behind the capitalistic enterprise was profit. That meant the beginning of a period of sharp competition among capitalists. So general was it, that our standard political economists, mistaking an incident of the industrial evolution for an eternal principle, based their text-books of political economy upon the idea that competition is a fixed law of human association. The opening of this vast continent to emigration from the congested centers of the old world, and the possibility of owning the land, which was placed within reach of

the poorest of the colonists, served to prolong the period of competition far beyond what it could have extended under conditions prevalent in Europe.

It is evident that the capitalist system of production involves competition between laborers. So far as wages are concerned, the principle of competition is just as operative to-day among the multitude of laborers as it was a hundred years ago. But we are all of us witnesses of what Washington Gladden characterizes as the "collapse of competition" among capitalists. The machinery of production has grown so tremendously large that it has become impossible for the single capitalist to hold the field. That same sagacity which has brought certain men to the front as large capitalists has enabled them to see how under the regime of unrestrained competition the business world has been subject to regularly recurring financial panics about every eight or ten years. They have awakened to the fact that competition is wasteful and fatal to profits. They have learned that combination in the form of trusts by which competition is eliminated is in every way to the advantage of the capitalist class. It is also to the advantage, on the whole, of consumers. So, the duplication of needless plants is avoided. The paralleling of railroads and telegraph lines will cease. Useless officials are dropped. A large body of middle men and drummers is dispensed with. The expense of administration is reduced to a minimum, and the efficiency of administration is brought to the highest point.

Now, this is nothing but the operation of evolutionary forces. It is as inevitable as gravitation and as little amenable to ethical considerations. The trust method of production and distribution is the logic of industrial evolution. It

lies along the line of least resistance. It means the greatest convenience of consumers. It is the application of reason and sense to the administration of industrial affairs. It is only a matter of time when every material interest of humanity will yield to that principle. It will be operative everywhere. The movement in the direction of trusts during the past year or two has been so pronounced as to attract the attention of the least thoughtful. And yet, this whole movement was predicted years ago by Karl Marx. He outlined the development of industry as accurately as an astronomer can predict the return of a comet or an eclipse of the sun. And he was able to do so because he studied history from the point of view of evolution. He was not gifted with supernatural power. He was simply a scientist.

Mr. Kirkup, to whom we are indebted for the article on Socialism in the *Encyclopedia Britannica* and who wrote as a conservative and judicial critic, after expressing his dissent from Marx's theory of surplus values, says: "It would be the greatest possible mistake, however, to make this a reason for undervaluing the remarkable services rendered to economics by Karl Marx. He spent forty laborious years almost wholly in exile as the scientific champion of the proletariat. In the combination of learning, philosophic acumen, and literary power he is probably second to no economic thinker of the nineteenth century. He seems to have been master of the whole range of economic literature, and wielded it with a logical skill not less masterly. But his great strength lay in his knowledge of the technical and economic development of modern industry and in his marvelous insight into the tendencies in social evolution

determined by the technical and economic factors."

It remains for us to consider the logical issue of the capitalist evolution. "The origin of the joint-stock company completed the evolution of the capitalist. He was first of all a manual laborer working with his men. (That was at the end of the Middle Ages, in the time of the guilds.) The possession of a little wealth raised him above manual labor, and he became a mental laborer, a manager, who received wages of superintendence. But the possession of more wealth raised him above even the labor of direction and he handed this function over to an employe, thus becoming a mere interest or profit-receiver. The capitalists united into a joint-stock company do not pretend to labor, but hire a manager in whose hands they place their capital, and whose business it is to make profits for the stockholders. It would seem inevitable, therefore, that the capitalist class will eventually become superfluous, the services previously rendered by them being handed over to hired managers. Says Sidney Webb: 'The older economists doubted whether anything but banking and insurance could be carried on by joint-stock companies; now every conceivable industry down to baking and milk-selling is successfully managed by the salaried officers of large corporations of idle shareholders. More than one-third of the whole business of England, measured by the capital employed, is now done by joint-stock companies, whose shareholders could be expropriated by the community with no more dislocation of the interests involved than is caused by the daily purchase of shares on the stock exchange.'"

I do not question for a moment the fact that the industrial evolution which the past century

and a half has witnessed was necessary. I do not question the value of its results. They are beyond computation. I do not suggest that any such results could have been achieved by any other system. That question is not worth considering for the reason that no other system was possible. The question which is just now at the front, and will remain there, whether we want it to or not, is whether the evolution of capitalism does not point to another stage in the progress of industry, namely, that of socialism; whether that stage is not imminent, and whether it is possible for us to join consciously with the evolutionary forces for its peaceful inauguration. These I take to be vital questions before the world to-day.

We are all aware that there is a growing political movement for the inauguration of socialism. That movement is as wide as civilization. The Socialist party in the German empire is, in point of votes cast, by all odds the largest party in the empire. The movement is strong in Belgium and France and Great Britain and Austria and Italy, indeed in all the most intelligent portions of Europe. It is increasing in power in the United States. I do not know how many socialist papers there are in this country, but their name is legion. One of them has a weekly paid circulation of over 180,000 copies and is growing at the rate of several hundred a week. I do not mention these things in support of any argument which I care to make, but simply as a fact.

Here is the fact of the socialist political movement. That, too, is a part of the social evolution. It is a phenomenon to be taken into account. Since the inauguration of capitalism a new political factor has made its appearance. The franchise has been placed in the hands of

the laborers as well as into the hands of the capitalist class. If you will recall again the facts of the development of industry, you will note that while the method of production has been socialized, the means of production have not been socialized: while competition among the capitalists is rapidly being eliminated, competition among wage-laborers is still in force. We have the spectacle of compulsory co-operation among workingmen in the production of commodities and compulsory competition among laborers in the labor market. On the other hand the market for commodities is controlled by combinations of capital. The machinery of production and distribution is in the hands of private corporations.

Under such a system the laborer by his very existence forces and keeps wages down to the smallest possible point. He not only cannot help himself, but he is forced to be his own worst enemy. Moreover, Capitalism has created a large and increasing reserve industrial army which is out of employment a considerable portion of the year. We need to bear in mind also that we are living in the twentieth century. We have made education general. The means of enlightenment have been multiplied wonderfully. The masses of the people are being fitted for something better than the existing industrial system supplies any means of realizing. They are feeling that there is something wrong. They know that social production, with capitalistic ownership of the instruments, means capitalistic appropriation of the results of social labor. They see that property which originally rested upon individual labor now rests upon capitalist exploitation. They are coming to believe that expropriation of capitalists would mean nothing

more than the restoration of property to its rightful basis.

You have noted, of course, that capitalism from the outset has meant conflict. At first it was a conflict between capitalists and capitalists. It has been found that such a conflict is detrimental to the interests of society and industry, and a way was found to put an end to it. But now we have the bitterest kind of conflict between capitalists and laborers. In this struggle millions of dollars have been wasted. Of all the strikes that have been declared, only a small portion have been successful, and it is safe to say that almost none of them has really been of great value to the laborer. The conflict between capitalist and capitalist was ended by making the interests of capitalists identical. It is inconceivable that this warfare between labor and capital can continue indefinitely. But it cannot be terminated except by making the interests of all economic classes identical.

It is useless to say that the interests of capital and labor under the present system are identical. It is idle to say that under capitalism the success of the man of wealth means a great service to society. That last statement is no doubt true, but the other is not true. It is impossible, or practically so, for any man to amass wealth in this country, without conferring benefit upon society. It is also true that no man amasses wealth without receiving a tremendous tribute from society. But that is not the question. Capitalism has created two economic classes: the wage-laborer and the receiver of profit. The whole tendency of industrial evolution is to make these the only economic classes in society and to make the passing from the lower to the higher all the while more difficult. The wage-class increases, the capitalist class grows

smaller. That condition of things simply cannot persist for any great length of time. It is a belief that grows with every twenty-four hours that with all its tremendous contribution to the structure of modern civilization the system of capitalism has served its purpose, and, like the system which preceded it, must make way for another and higher form of industrial organization, that the highest interests of the race may be subserved.

Quoting again from Kirkup: "It is now admitted by all inquirers worthy of the name that history, including economic history, is a succession of orderly phenomena, that each phase in the line of succession is marked by facts and tendencies more or less peculiar to itself, and that laws and principles which we now condemn had formerly an historical necessity, justification, and validity. In accordance with this fundamental principle of historical evolution arrangements and institutions which were once necessary and originally formed a stage in human progress, may gradually develop contradictions and abuses and thus become more or less antiquated. The economic, social and political forms which were the progressive and even adequate expressions of the life of one era become hindrances and fetters to the life of succeeding times. The existing arrangements of landlord, capitalist, and wage laborer are burdened with contradiction and abuse. The life of society is being strangled by the forms which once promoted it. The really vital and powerful tendencies of our times are toward a higher and wider form of social and economic organization—toward socialism."

To this may be added the declaration of Kirkup that "Albert Schaffle, one of the first living authorities on economics and sociology, has,

after long years of study of the subject, come to the conclusion that "the future belongs to the purified socialism."

Without regard to these authorities whom I have quoted, whose opinion to-day would be worth a great deal more, perhaps, than it was when they gave it, I am convinced that at no very distant day the capitalistic era will be recognized by all thinking men to have become a thing of the past, along with feudalism and slavery. That it can or ought to be wiped out summarily by any sort of fiat, is too absurd to be believed by any intelligent person. That the full inauguration of the Socialist Commonwealth will involve the loss of some things which we have had under the present regime, I can easily believe. But no man who believes in evolution can doubt that the Co-operative Commonwealth will mark a distinct advance over any industrial system we have ever known, and that it holds in its keeping for every department of human life possibilities of which thus far we have scarcely dreamed.

To sum up the facts and conclusions embodied in this paper, permit me again to call your attention to the fact that the era of capitalism was ushered in when feudalism fell and the tools of production and distribution became the possessions of those who did not use those tools. Capitalism began when the laborer could no longer own the tools with which he worked. To put it all in a single sentence, at the beginning of capitalism three or four facts stand out clear; the method of production has been socialized, there is compulsory co-operation among laborers for the sake of a larger product, the means of production have been taken out of their hands, and the wage system has been introduced; there is compulsory competition between laborers, la-

bor becomes a commodity with its price determined like that of every other commodity by the law of supply and demand, and this competition tends to reduce the wage of the laborer to the lowest possible point; there is also competition among capitalists, due to the rise of the profit system and the prospect it holds out of becoming rich and to the fact that capitalists have not learned the waste of competition and the value of a co-ordinated system of production.

Contrast now with that initial stage of capitalism the industrial system we have to-day. The method of production is still socialized. It will never be changed back to the individualistic system. No sane man could desire it, and it would make no difference if he did. The production of commodities must be social. Those who produce must co-operate. Co-operation is compulsory not because men have so decreed, but because evolution has so decreed. The means of production are still out of the hands of the laborer. The wage system is still here. Laborers still compete with each other in the labor market, labor is still a commodity whose price is determined by the law of supply and demand, and wages measured by what they will buy back of the product are not higher, but lower, and their tendency must inevitably be in that direction.

But when we compare the condition of capitalists to-day with their condition at the beginning, we come in sight of a radical change. Instead of the competition of the early stage we have co-operation, combination, co-ordination. Instead of the reckless commercial strife of that early day we have the trust, the monopoly, whereby a whole department of industry or production is controlled by aggregated capital,

supply and demand are regulated, and up to a certain point the price of commodities is absolutely determined by the CAPTAINS OF INDUSTRY. We are perfectly well aware that the tendency toward this co-ordination of industry and production is the one conspicuous tendency in the commercial world to-day. There is none other to be for a moment compared with it.

We know that progress does not go backward. We are sure that evolution is something different from involution. We know perfectly well that we have not reached the end. There is no end to be reached. The evolutionary process will go on. Nothing can stop it. Evolution has given us the socialization of the method of production. It will as surely give us the socialization of the instruments of production. That is inevitably the next step beyond the trust. There is no other step that industry can take, if it is to follow the lines which all the past give us reason to expect.

In the change from the plutocratic socialism, which exists to-day to the democratic socialism, which is as surely in the future as time is, there is another element to be taken into consideration. Heretofore, so far as can be discovered by a careful study of history, economic changes have taken place regardless of ethical considerations and without any conscious co-operation on the part of men. I am inclined to believe that in the consummation of the next step in industrial evolution another force must be reckoned with. It is none the less an evolutionary force because it involves intelligent co-operative action on the part of individuals. It seems to be inevitable that in this great evolutionary process, which it is possible for us as students of history to observe and in which it has ever been

necessary that the human race should take a central part, the time would come when men should consciously act a part in the drama. It does not seem to be unscientific to believe that such a time has come and that evolution has put into our hands the instruments by use of which we may and are destined to take that conscious part in the evolutionary process.

The political evolution of the past century has not been less wonderful than the industrial evolution of the same period. It would be foolish to assume that there is no connection between the two. The period which has seen the laborer made the servant of the machine and the dependent slave of the capitalist, a mere commodity in the market, has also seen the acquisition by him of political equality with his economic master. It has witnessed the rise of democracy above the horizon as inevitably the coming form of human government, the only form of government conceivably tolerable to sane men. It has witnessed the rapid spread of the desire for freedom. It has enshrined in the souls of men the ideal of liberty, fraternity, and equality. It has made it the political death of any political party to deny or repudiate that creed in its appeal to the support of the people. It has seen the introduction of the common school system and compulsory attendance at these schools, with the consequent education of the masses. It has seen a progress, every part of which focusses upon the fullest emancipation of men from every form of slavery.

I cannot therefore, as a student of history, doubt that the time is not far in the future when this growing proletariat, numbering already more than 75 per cent of our population, moved by the deepening consciousness of its own interests, together with no inconsiderable portion of

our people who do not yet know themselves as members of the proletariat class, but who are sensible to the imperative demand for the realization of democracy and conscious of the utter impossibility of such realization in the realm of political life, so long as any sort of despotism is maintained in the industrial world, will make use of this political power which is already theirs to strike off these chains which, if we only had power to escape far enough from the prejudice of capitalistic class-consciousness to see it, mean the real moral enslavement of the whole race.

The instruments of production and distribution, which must be used co-operatively, must also be owned co-operatively. They can never again be owned by the individual. They can be owned now only by the combination of immense capital in the form of a trust. Such ownership involves conditions which are intolerable under any just or sane government and is diametrically hostile to anything approaching political democracy. The only choice that is left to you and me and the other citizens of this nation is whether this change from government by monopoly and wealth produced socially by the toiling millions to the co-operative commonwealth shall take place peaceably or shall involve continued waste and loss with the certainty of violence and bloodshed. Permit me to remind you that the only men to-day who either believe in, or are working for, the consummation of this end peaceably are the socialists. If it must come by violence, let us know that the blame will lie at the doors of those who have insisted that it should not come at all, at the doors of those who have attempted to postpone the change until by starvation and slavery the disinherited masses are driven to desperation.

The hope of a peaceful transition at this day, when so much political power has been put into the hands of the people and when so much depends upon the conscious co-operation of the voters in the evolutionary process, lies in earnest courageous leadership on the part of men who have no good excuse for not knowing the facts of economic history, in the enlightenment of the working class as to their interests, and in fearless proclamation of the gospel of industrial justice.

No Compromise

NO POLITICAL TRADING

BY

Wilhelm Liebknecht

Socialist Member of the
German Reichstag

Translated by

A. M. SIMONS and MARCUS HITCH

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